

Article - State Government

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§9–119.

(a) Except for the commission of a licensed agent, all of the receipts from the sale of State lottery tickets or shares are due to the Agency:

(1) on the due date that the Agency sets; or

(2) at the times and within the intervals prescribed by Agency regulations.

(b) (1) (i) The Director shall require all licensed agents to deposit, with a bank that the licensed agent selects and to the credit of the State Lottery Fund, all of the receipts from the sale of State lottery tickets or shares less any commission and validation prize payout.

(ii) 1. A licensed agent may commingle proceeds from the sale of State lottery tickets or shares with business receipts of the licensed agent.

2. Proceeds, including cash proceeds of the sale of any lottery products less any commission and validation prize payout, shall be remitted and paid directly or through the Agency's authorized collection representative.

(iii) Licensed agents and each person who is a guarantor or indemnitor of a licensed agent's financial obligations to the Agency shall be liable for all proceeds from the sale of lottery tickets or shares.

(iv) The Director may adjust the time, interval, or method of collection for collections of proceeds of any licensed agent.

(v) 1. Nothing in this subsection may be construed to impose obligations or liability on any bank in which proceeds from the sale of State lottery tickets or shares are deposited.

2. This subparagraph does not affect the rights and obligations of any financial institution that has issued an irrevocable letter of credit or holds any cash security deposit as provided in § 9-114 of this subtitle.

(2) The Director may require any or all licensed agents to submit to the Director or a designee of the Director a report that:

- (i) is in the form that the Director requires; and
 - (ii) gives the information that the Director requires as to the transactions in and receipts from the sale of State lottery tickets or shares.
- (c) (1) The Agency may impose a service charge if the payor bank dishonors:
 - (i) a check that is given to the Agency by a licensed agent; or
 - (ii) an electronic transfer of funds to the State lottery account from the account of a licensed agent for money received from the sale of State lottery tickets or shares.
- (2) The service charge under paragraph (1) of this subsection shall be sufficient to cover the Agency's costs associated with the dishonored return.
- (3) The Director shall adopt regulations specifying the costs and the methodology for determining the costs that are associated with a dishonored return.
- (4) The service charge imposed under paragraph (1) of this subsection shall be in addition to any other fees or charges authorized to be charged under this article.
- (d) A licensed agent shall be charged:
 - (1) as provided in § 13-604(a) of the Tax - General Article, interest on the money that is not paid to the Agency within 10 days after the due date; and
 - (2) if the Agency refers the debt to the Central Collection Unit of the Department of Budget and Management, an additional fee sufficient to cover administrative and collection costs, in an amount equal to any fee charged by the Central Collection Unit in accordance with § 3-304(a)(2) of the State Finance and Procurement Article.
- (e) (1) The amount, including any interest or penalty charge, due to the Agency from a licensed agent, as of the time that notice of the lien is filed:
 - (i) is a lien on the property of that licensed agent; and
 - (ii) subject to paragraph (5) of this subsection, has the same effect as a judgment lien.
- (2) The Agency shall:

(i) file a notice of the lien with the clerk of the circuit court for the county where the property is located; and

(ii) mail a copy of the notice to the business address of the licensed agent.

(3) The clerk of court promptly shall enter in the judgment docket of the court:

(i) the name of the licensed agent;

(ii) the amount of the lien; and

(iii) the date of the lien.

(4) Within 30 days after the lien is filed, the licensed agent may petition the court for a hearing as to the amount that is due to the Agency.

(5) Until an officer of a court levies on personal property, the lien is not effective against an innocent buyer for value.

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